



Governor's Office of Economic Development

State of Utah

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New Incentive Program to Assist Existing Rural Utah Businesses

Rural Fast Track Program will help Economic Development in Small Utah Communities

The Governor's Office of Economic Development recently announced the acceptance of Rural Fast Track Program (RFT) incentive applications and is in the process of funding several existing rural Utah companies. For the first time in Utah history, very small Utah companies have a program to assist their growth. The program which was passed by the Legislature and signed into law by Governor Huntsman, will offer help to rural Utah companies that are at least two years old and in a growth mode.

The expectation of the program is consistent with Governor Huntsman's plan for broad based, statewide economic development.

"Utah's small businesses have always been a vital part of the Utah economy. When a company adds one or two or even a dozen new employees to their payroll in a small rural community, that growth can have a major impact for good," said Governor Jon Huntsman. "The companies we have recently assisted demonstrate that rural Utah produces significant world class products and services."

The Rural Fast Track Program is designed specifically for businesses in communities with a county population less than 30,000 people and with an average county household income of less than \$60,000. RFT provides an efficient way for existing, small companies to receive incentives for creating high paying jobs in the rural areas of the state to further promote economic development. Under this program, 20 percent of the Industrial Assistance Fund may be used to incent companies to expand in rural Utah.

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Applied Composite Technology (ACT) is a prosthetic limb manufacturing company located in Gunnison, Sanpete County. ACT currently manufactures carbon fiber feet for amputees and plans on expanding into the production of other limbs and hands. They project that the Fast Track funding will enable them to add 12 new employees.

“This incentive will be a great help for us in developing another part of our production area. Sometimes it is hard to find assistance for growing rural area companies,” said Shawn Crane, who fills three positions in the company as Human Resource, Purchasing, and IT Manager. “This incentive will allow us to expand our operations in the ‘foot cover’ area thus allowing us to bring on some new employees.”

ACT is characteristic of a company that cares about its employee family.

“In a rural community, each and every new job allows a family to stay in this area, instead of having to move to the city or more populated areas. The generous benefits that we give to the employees help them become stable and know that they will be taken care of,” said Crane. “For every new job created and every job maintained, there is a generous amount of a person’s income that stays in the community, thus bolstering the other businesses and government entities as well.”

Charles Bardsley, Owner of Mine Systems Company in Helper, Carbon County expects to add two critically important new positions to their firm. Bardsley found that the Rural Fast Track grant would help him leverage dollars he was borrowing.

“Finding out that we had this resource available came at the most opportune time. I had been worried about where the money was going to come from to expand our company operations in the industrial battery repair business,” said Charles Bardsley. “This grant allows us to go to our lender and leverage the other \$100,000.00 needed to complete our expansion project.”

In the coal mining industry industrial batteries are used in various ways. Batteries in need of repair are currently shipped back to the east coast. Now that the Mine Systems battery shop has opened, they are able to service batteries locally which makes the mining customers in Utah very happy. Not only will the mines be saving money and time, but Mine Systems will be more profitable. This is a true win-win for company, community and the State.

Allen Childs, President of Talon Resources in Huntington, Emery County has worked hard to build an engineering, consulting and surveying company in the heart of Utah’s coal and mining country. However before they could grow their business they had to solidify the business niche they had.

“To solidify our business, we have to wear many hats; we have to have more than one profit center. With our goal of growing our business, we have had to wait, and sometimes miss opportunities, due to traditional financing and our ability to acquire new loans,” said Allen Childs. “With this Rural Fast Track Program, we have opportunity to expedite our ability to grow our business and take advantage of opportunities that are available to us now! Our state has been great at providing incentives for large corporations to relocate to Utah. It was good to see that the great State of Utah is concerned and recognizes the importance Utah’s small businesses.”

Talon anticipates hiring 11 additional full time employees. These positions will be filled from the Emery and Carbon county area, from the displaced worker ranks or from the young individuals that are just starting into the job market. Childs is interested in building his community.

“We feel that we will be able to keep a small segment of our young workers home. They can start their careers and not have to move away from the county they call home,” said Allen Childs. “We will be able to provide jobs that will provide employees with growth potential and a higher than average county wage.”

Paul Bowmar’s family moved to Escalante in Garfield County in 1976. His father always had a machine shop in his garage and to keep from getting bored in the winter and supplement his fixed income, he began manufacturing parts for several companies in California. When Paul wanted to grow the machine shop business he ran into some significant challenges. Until recently, Bowmar had been running their larger machines on electrical phase converters; however they had been maxing out the electrical capacity.

The Fast Track grant has helped the Bowmar Company upgrade to 400 Amp Three Phase power and will allow the removal of the old phase converters. This change will make their electrical use more efficient, and provide enough power to install approximately four times as many machines, quadrupling their potential capacity for production and making it possible to hire two more full time employees in Escalante.

“As I grow with more work and add more machines to produce the increased workload, I will be hiring more people,” said Paul Bowmar. “This represents a steady increase in good paying jobs for the community, while teaching the employees a trade they can use.”

Rural Fast Track funds are limited, but because of the structure of the program, incentives will be available each year to a number of firms. There are substantial business tools available to businesses in the rural areas of our state.

“This is a great time to be in business in Utah, by partnering with financial institutions, venture capital sources, the Small Business Administration, the Small Business Development Centers, Manufacturers Extension Partnership, EDCUtah, trade associations and our college and university system business leaders now have more assistance than ever before, said Jason Perry, Executive Director of the Governor’s Office of Economic Development. “Combined with hard work and these resources, the Utah business community can keep our State a shining example of a dynamic economy and one of the ‘Best States for Business’ for many years to come.”

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Editors Note: The following sidebars give a brief overview of the criteria, process and kinds of grants available through the Rural Fast Track Program.

Summary of Rural Fast Track Criteria:

- Must be a licensed business
- Company must have been in business within the state for at least 2 years
- Company must have at least 2 employees
- Company must be located and conduct business operations where:
 - County population is under 30,000
 - County average household income is less than \$60,000

Two Ways to Obtain a Grant:

- 1) A company may apply for grants, loans, or other financial assistance to help develop and expand its business in rural Utah. The maximum any company may receive is \$50,000 under the program, if approved by the administrator. The project should have a business plan and show a direct link between the proposed business plan and furthering economic development within the community and State.
- 2) A company may also apply for a cash grant for creating and retaining high paying jobs in rural areas of the state.
 - a. \$1,000 for each new incremental job paying 110% of the county's average annual wage.
 - b. \$1,250 for each new job paying 115% of the county's average wage.
 - c. \$1,500 for each new job paying 125% of the county's average wage

Process

The Rural Fast Track Process has been simplified as opposed to the traditional large business Industrial Assistance Fund application.

- Company submits completed application
- Staff reviews and determines if all material requires and criteria have been met
- RFTP Committee meets and denies or approves projects
- Approval letters and drafts of the contracts are sent out

Editors Note: The names and phone numbers for the individuals and their respective companies are listed below:

Talon Resources /Allen Childs: 435-687-5310

Applied Composite Technology/Shawn Crane: 435-528-7199

B.W. Bowmar Company/Paul Bowmar: 435-826-4601

Mine Systems Co. /Chuck Bardsley: 435-472-3700

For further information regarding the Rural Fast Track Program from the Governor's Office of Economic Development, please contact Amy Hamblin at (801) 538-8828, ahamblin@utah.gov